

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
QATAR FIRST BANK L.L.C (Public)
30 September 2018

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED
CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF
DIRECTORS OF QATAR FIRST BANK L.L.C (PUBLIC)**

Introduction

We have reviewed the accompanying 30 September 2018 condensed consolidated interim financial statements of Qatar First Bank L.L.C (Public) ('the Bank') and its subsidiaries (together referred to as the 'Group'), which comprise:

- the condensed consolidated statement of financial position as at 30 September 2018;
- the condensed consolidated income statement for the three and nine-month periods ended 30 September 2018;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 2018;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2018; and
- notes to the condensed consolidated interim financial statements.

The Board of Directors of the Bank is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Financial Accounting Standards ('FAS') issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ('AAOIFI'). Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

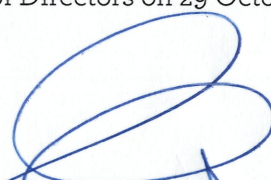
Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2018 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with FAS issued by AAOIFI.

29 October 2018
Doha
State of Qatar

Gopal Balasubramaniam
KPMG
Auditor's Registration No. 251
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		30 September 2018 <i>Notes</i> (Reviewed)	31 December 2017 (Audited)
ASSETS			
Cash and cash equivalents		357,940	372,029
Due from banks		-	477,218
Investments carried at amortised cost	4	158,850	156,205
Financing assets	5	1,421,913	1,490,186
Accounts receivable		24,245	315,272
Inventories		43,313	75,534
Equity investments	6	417,443	923,454
Investments in real estate		38,103	243,710
Fixed assets		135,056	189,483
Intangible assets		11,163	18,206
Assets of disposal group classified as held-for-sale	7	1,390,937	570,866
Other assets		43,602	126,346
TOTAL ASSETS		4,042,565	4,958,509
LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY			
Liabilities			
Financing liabilities	8	329,876	812,975
Customers' balances		46,128	99,976
Liabilities of disposal group classified as held-for-sale	7	983,608	362,132
Other liabilities		74,702	272,762
Total Liabilities		1,434,314	1,547,845
Equity of Unrestricted Investment Account Holders	9	1,425,404	1,713,793
Equity			
Share capital	10	2,000,000	2,000,000
Accumulated losses		(942,095)	(470,014)
Total Equity Attributable to Shareholders of the Bank		1,057,905	1,529,986
Non-controlling interest		124,942	166,885
Total Equity		1,182,847	1,696,871
TOTAL LIABILITIES, EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS AND EQUITY		4,042,565	4,958,509

These condensed consolidated interim financial statements were authorised for issuance by the Board of Directors on 29 October 2018 and signed on its behalf by:



 Abdulla bin Fahad bin Ghorab Al Marri
 Chairman



 Ibrahim Mohamed Jaidah
 Board Member

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.



CONDENSED CONSOLIDATED INCOME STATEMENT

For the three and nine-month periods ended 30 September 2018 (expressed in QAR'000) QFB

		For the three-month period ended		For the nine-month period ended	
		30 September 2018 (Reviewed)	30 September 2017 (Restated)	30 September 2018 (Reviewed)	30 September 2017 (Restated)
	Notes				
CONTINUING OPERATIONS					
INCOME					
Revenue from non-banking activities	11	27,896	22,873	80,554	71,466
Loss on re-measurement of investments at fair value through income statement	6.2	(17,188)	(21,608)	(198,435)	(40,794)
Dividend income		-	10,150	448	17,636
Profit on investments carried at amortised cost		2,346	4,327	6,204	17,915
Gain on disposal of investments carried at amortised cost		-	1,125	362	1,371
(Loss) / gain on disposal of equity investments		(2,184)	143	(111,384)	1,892
Income from financing assets		17,958	20,094	53,879	61,306
Income from placements with financial institutions		3,089	4,071	12,907	20,422
Other income / (loss)		11,237	(2,797)	39,127	(16,784)
Total Income Before Return To Unrestricted Investment Account Holders		43,154	38,378	(116,338)	134,430
Return to unrestricted investment account holders		(15,228)	(18,702)	(46,079)	(63,312)
TOTAL INCOME		27,926	19,676	(162,417)	71,118
EXPENSES					
Expenses from non-banking activities	11	(27,699)	(24,593)	(78,686)	(72,314)
Staff costs		(11,305)	(13,590)	(37,492)	(53,398)
Other operating expenses		(10,751)	(10,940)	(30,908)	(35,323)
Financing costs		(4,435)	(4,578)	(14,320)	(15,837)
Depreciation and amortisation		(2,448)	(2,350)	(7,267)	(7,926)
TOTAL EXPENSES		(56,638)	(56,051)	(168,673)	(184,798)
Provision for impairment on financing assets, net of recoveries	3.1.3	(8,525)	(16,854)	(43,972)	(16,924)
Provision for impairment on other financial assets	3.1.3	(5,185)	-	(3,062)	-
NET LOSS BEFORE INCOME TAX		(42,422)	(53,229)	(378,124)	(130,604)
Income tax expense		-	-	-	-
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		(42,422)	(53,229)	(378,124)	(130,604)
DISCONTINUED OPERATIONS					
Loss from discontinued operations, net of tax		(35,821)	(12,119)	(66,367)	(11,469)
NET LOSS FOR THE PERIOD		(78,243)	(65,348)	(444,491)	(142,073)
Attributable to:					
Equity holders of the Bank		(71,670)	(62,925)	(425,541)	(139,600)
Non-controlling interest		(6,573)	(2,423)	(18,950)	(2,473)
		(78,243)	(65,348)	(444,491)	(142,073)
Basic / diluted loss per share - QAR	12	(0.36)	(0.32)	(2.13)	(0.70)

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.

QATAR FIRST BANK L.L.C (Public)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2018 (expressed in QAR'000)

	Notes	Fair value reserves			Total equity attributable to equity holders of the Bank	Non-controlling interests	Total equity
		Share capital	Investment fair value reserve	Property fair value reserve			
Balance at 1 January 2017		2,000,000	(5,079)	4,518	1,798,685	76,366	1,875,051
Fair value adjustment		-	18,708	-	18,708	-	18,708
Net loss for the period		-	-	-	(139,600)	(2,473)	(142,073)
Increase in non-controlling interests due to:							
- Real Estate Structures		-	-	-	-	84,164	84,164
Balance at 30 September 2017 (Reviewed)		<u>2,000,000</u>	<u>13,629</u>	<u>4,518</u>	<u>1,677,793</u>	<u>158,057</u>	<u>1,835,850</u>
Balance at 1 January 2018		2,000,000	-	-	1,529,986	166,885	1,696,871
Impact of early adoption of FAS 30	3.1	-	-	-	(46,540)	(2,319)	(48,859)
Balance at 1 January 2018 (Restated)		<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>1,483,446</u>	<u>164,566</u>	<u>1,648,012</u>
Net loss for the period (Reviewed)		-	-	-	(425,541)	(18,950)	(444,491)
Increase in non-controlling interests due to:							
- Real Estate Structures	7	-	-	-	-	(20,674)	(20,674)
Balance at 30 September 2018 (Reviewed)		<u>2,000,000</u>	<u>-</u>	<u>-</u>	<u>1,057,905</u>	<u>124,942</u>	<u>1,182,847</u>

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.

	For the nine-month period ended	
	30 September 2018	30 September 2017
	Notes (Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Net loss for the period	(444,491)	(142,073)
Adjustments for non-cash items in net loss		
Depreciation and amortisation	21,166	23,895
Unrealised loss on equity investments	6.2 198,435	40,794
Unrealised (profit) / loss on Sharia-compliant risk management instruments, net	(15,712)	995
Provision for impairment on financing assets	5 43,972	16,924
Provision for impairment on other financial assets	3,062	-
Other (recovery) / provisions, net	(1,004)	115
	<u>(194,572)</u>	<u>(59,350)</u>
Changes in:		
Due from banks	477,121	245,000
Investments carried at amortised cost	(8,502)	438,452
Financing assets	(70,816)	(98,354)
Accounts receivable	(19,338)	(67,271)
Inventories	2,127	(17,358)
Equity investments	268,457	58,722
Investments in real estate	(2,950)	(27,111)
Assets of disposal group classified as held-for-sale	(116,633)	(545,493)
Other assets	82,744	18,343
Customers' balances	(53,848)	(15,240)
Liabilities of disposal group classified as held-for-sale	29,873	352,252
Other liabilities	20,324	38,700
Net cash from operating activities	<u>413,987</u>	<u>321,292</u>
INVESTING ACTIVITIES		
Purchase of fixed and intangible assets	(21,814)	(34,216)
Net cash used in investing activities	<u>(21,814)</u>	<u>(34,216)</u>
FINANCING ACTIVITIES		
Net change in financing liabilities	(97,199)	(302,712)
Net change in equity of unrestricted investment account holders	(288,389)	(476,908)
Net change in non-controlling interest	(20,674)	84,164
Net cash used in financing activities	<u>(406,262)</u>	<u>(695,456)</u>
Net decrease in cash and cash equivalents	(14,089)	(408,380)
Cash and cash equivalents at the beginning of the period	372,029	1,113,796
Cash and cash equivalents at the end of the period	<u>357,940</u>	<u>705,416</u>

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.

1. REPORTING ENTITY

Qatar First Bank L.L.C (Public) (“the Bank” or “the Parent”) is an Islamic bank, which was established in the State of Qatar as a limited liability company under license No.00091, dated 4 September 2008, from the Qatar Financial Centre Authority. The Bank is authorised to conduct the following regulated activities by the Qatar Financial Centre Regulatory Authority (the “QFCRA”):

- Deposit taking;
- Providing credit facilities;
- Dealing in investments;
- Arranging deals in investments;
- Arranging credit facilities;
- Providing custody services;
- Arranging the provision of custody services;
- Managing investments;
- Advising on investments; and
- Operating a collective investment fund.

All the Bank’s activities are regulated by the QFCRA and are conducted in accordance with Islamic Shari’a principles, as determined by the Shari’a Supervisory Board of the Bank and in accordance with the provisions of its Articles of Association. The Bank operates through its head office located on Suhaim bin Hamad Street, Doha, State of Qatar.

The Bank’s issued shares are listed for trading on the Qatar Exchange effective from 27 April 2016 (ticker: “QFBQ”).

The condensed consolidated interim financial statements of the Bank for the nine-month period ended 30 September 2018 comprise of the Bank’s and its subsidiaries’ (together referred to as “the Group” and individually as “Group entities”) results. The Parent Company / Ultimate Controlling Party of the Group is Qatar First Bank L.L.C (Public).

The Bank had the following subsidiaries as at 30 September 2018 and 31 December 2017:

Subsidiaries	Activity	Effective ownership as		Year of incorporation	Country
		30 September 2018	31 December 2017		
Al Wasita Emirates for Catering Services LLC	Catering	81.9%	81.9%	2008	UAE
Future Card Industries LLC	Manufacturing	71.3%	71.3%	2012	UAE
Isnad Catering Services WLL	Catering	75.0%	75.0%	2012	Qatar
QFB Money Market Fund 1 Ltd.	Money market fund	100.0%	100.0%	2015	Cayman Islands
Astor Properties Finance Limited.	Financing	41.0%	63.7%	2017	Jersey
Astor Properties Holdings Limited.	Holding company	41.0%	63.7%	2017	Jersey
Umm Slal for Accommodation LLC	Construction	70.0%	70.0%	2017	Qatar
Kennedy Flats Property Corp.	Owning and leasing real estate	70.1%	-	2018	USA
LEI-BFQ Kennedy Flats LLC	Leasing real estate	70.1%	-	2018	USA

2. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Group have been prepared in accordance with Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). In line with the requirements of AAOIFI, for matters that are not covered by FAS, the Group uses the guidance from the relevant International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). Accordingly, the condensed consolidated interim financial statements have been prepared in accordance with the guidance provided by International Accounting Standard 34 - 'Interim Financial Reporting'.

The condensed consolidated interim financial statements do not contain all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017. In addition, results for the nine-month period ended 30 September 2018 are not necessarily indicative of results that may be expected for the financial year ending 31 December 2018.

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for valuation of equity investments, investments in real estate and Sharia-compliant-risk management instruments which are carried at fair value.

The condensed consolidated interim financial statements are presented in Qatari Riyals ("QAR"), which is the Bank's functional and presentational currency, and all values are rounded to the nearest QAR thousand except when otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Judgement and estimates

The preparation of the condensed consolidated interim financial statements in conformity with FAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are consistent with those applied to the annual consolidated financial statements as at 31 December 2017 except for early adoption of FAS 30 as disclosed in Note 3.1.1.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended 31 December 2017, except for following:

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1. Early adoption of FAS 30 “Impairment, credit losses and onerous commitments”

AAOIFI has issued FAS 30 Impairment, Credit losses and onerous commitments in 2017. The objective of this standard is to establish the principles of accounting and financial reporting for the impairment and credit losses on various Islamic financing, investment and certain other assets of Islamic financial institutions (the institutions), and provisions against onerous commitments enabling in particular the users of financial statements to fairly assess the amounts, timing and uncertainties with regard to the future cash flows associated with such assets and transactions. FAS 30 will replace FAS 11 Provisions and Reserves and parts of FAS 25 Investment in Sukuk, shares and similar instruments that deals with impairment.

FAS 30 classifies assets and exposures into three categories based on the nature of risks involved (i.e. credit risk and other risks) and prescribes three approaches for assessing losses for each of these categories of assets 1) Credit Losses approach, 2) Net Realizable Value approach (“NRV”) and 3) Impairment approach.

For the purpose of this standard, the assets and exposures shall be categorized, as under:

- a) Assets and exposures subject to credit risk (subject to credit losses approach):
 - (i) Receivables; and
 - (ii) Off-balance sheet exposures;
- b) Inventories (subject to net realizable value approach);
- c) Other financing and investment assets and exposures subject to risks other than credit risk (subject to impairment approach), excluding inventories.

Credit losses approach for receivables and off balance sheet exposures uses a dual measurement approach, under which the loss allowance is measured as either a 12-month expected credit loss or a lifetime expected credit loss.

FAS 30 introduces the credit losses approach with a forward-looking ‘expected credit loss’ model. The new impairment model will apply to financial assets which are subject to credit risk. A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk (SICR);
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing group of similar financial assets for the purposes of measuring ECL.

Inventories are measured at lower of cost and net realizable value. Net realizable value is defined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, considering the factors specific to the institution.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment loss is the amount by which the carrying amount of assets exceeds its recoverable amount.

The standard shall be effective from the financial periods beginning on or after 1 January 2020. Early adoption is permitted. The Group has early adopted the FAS 30 with a date of initial application of 1 January 2018.

3.1.1. Impact of early adoption FAS 30

As permitted by transitional provision of FAS 30, the Group elected not to restate comparative figures. Any adjustments to the carrying amount of financial assets at the date of transition were recognized in opening accumulated losses and non-controlling interest of the current period.

The impact of early adoption of FAS 30 is illustrated in below table:

	Balance at 1 January 2018	FAS 30 impact		Balance at 1 January 2018 (Restated)
		Accumulated losses	Non-controlling interest	
Provision for on-balance sheet				
Cash and cash equivalents	372,029	(90)	-	371,939
Due from banks	477,218	(25)	-	477,193
Investments carried at amortised cost	156,205	(295)	-	155,910
Financing assets	1,490,186	(30,325)	-	1,459,861
Accounts receivable	315,272	(10,292)	(2,319)	302,661
Total	2,810,910	(41,027)	(2,319)	2,767,564
Provision for off-balance sheet instruments				
Letters of guarantee	-	(4,792)	-	(4,792)
Unutilised credit facilities	-	(721)	-	(721)
Total	-	(5,513)	-	(5,513)
TOTAL PROVISION FOR FINANCIAL INSTRUMENTS	2,810,910	(46,540)	(2,319)	2,762,051

3.1.2. Changes in Accounting Policies and Significant Estimates and Judgments

Key changes in the Group's accounting policy for impairment of financial assets and off balance sheet instruments bearing credit risks are listed below:

The Group applies three-stage approach to measuring credit losses on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in financing assets quality since initial recognition.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Stage 1: 12 months expected credit losses (“ECL”)

For exposures where there has not been a significant increase in credit risk since initial recognition, the portion of the lifetime ECL associated with the probability of default events occurring within next 12 months is recognized for financial assets not meeting the criteria of 30 days delay in contractual payments through collective allowance.

Stage 2: Lifetime ECL - not credit impaired

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired and having equal to or more than 30 days delay but less than 90 days delay in contractual payments or meeting other qualitative indicators like significant deterioration of credit rating or breach of covenants a lifetime ECL is recognised through collective allowance.

Stage 3: Lifetime ECL - credit impaired

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred and having equal to or more than 90-day delay in contractual payments. As this uses the same criteria as under FAS 11, the Group’s methodology for specific provisions remains largely unchanged.

Inputs, assumptions and techniques used for estimating impairment

Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and expert credit assessment and including forward-looking information.

In determining whether credit risk has increased significantly since initial recognition following criteria’s are considered:

- Any facility that is overdue by more than 30 days;
- Any obligor that is downgraded to a credit rating equivalent to CCC+ or below; and
- Any facility that has been restructured in the previous 12 months

Credit risk grades

Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

Generating the term structure of Probability of Default (PD)

The Group employs Standard & Poor’s statistical models to generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group has taken exposures.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)*3.1.3. Expected credit loss / Impairment allowances*

Exposure subject to ECL	Stage 1	Stage 2	Stage 3	Total
Cash equivalents	357,988	-	-	357,988
Investments carried at amortised cost	164,706	-	-	164,706
Financing assets	725,400	661,791	324,470	1,711,661
Accounts receivable	19,288	2,685	5,322	27,295
Off balance sheet exposures subject to credit risk	10,049	29,989	1,388	41,426
Total	1,277,431	694,465	331,180	2,303,076

Expected credit loss / Impairment allowances**Opening Balance - as at 1 January 2018***

Cash and cash equivalents	90	-	-	90
Due from banks	25	-	-	25
Investments carried at amortised cost	295	-	-	295
Financing assets	1,466	24,032	75,404	100,902
Accounts receivable**	-	-	28,413	28,413
Off balance sheet exposures subject to credit risk	2,296	1,740	1,477	5,513
	4,172	25,772	105,294	135,238

Charge for the period (net)

Cash and cash equivalents	100	-	-	100
Due from banks	(25)	-	-	(25)
Investments carried at amortised cost	5,561	-	-	5,561
Financing assets	1,863	20,548	21,561	43,972
Accounts receivable	261	128	(1,393)	(1,004)
Accounts receivable - transfer to assets related to disposal group held-for-sale **	-	-	(24,359)	(24,359)
Off balance sheet exposures subject to credit risk	(2,217)	288	(645)	(2,574)
	5,543	20,964	(4,836)	21,671

Expected credit loss / Impairment allowances**Closing Balance - as at 30 September 2018**

Cash and cash equivalents	190	-	-	190
Due from banks	-	-	-	-
Investments carried at amortised cost	5,856	-	-	5,856
Financing assets	3,329	44,580	96,965	144,874
Accounts receivable	261	128	2,661	3,050
Off balance sheet exposures subject to credit risk	79	2,028	832	2,939
	9,715	46,736	100,458	156,909

*The Bank had specific and collective provisions of QAR 79.8 million and QAR 5.7 million, respectively, as at 31 December 2017;

**It included expected credit loss / impairment provision QAR 24.4 million against accounts receivable related to Disposal group classified as held-for-sale.

Had the Bank implemented FAS 30 during the period ended 31 March 2018, the net loss for the period ended 31 March 2018 as reported in the condensed consolidated interim financial statements would have been higher by QAR 20 million.

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.2. New standards, amendments and interpretations

3.2.1. *New accounting standards, amendments and interpretations that are issued and effective from 1 January 2018*

There were no new accounting standards, amendments and interpretations that are issued and effective from 1 January 2018.

3.2.2. *New accounting standards, amendments and interpretations that are issued but not yet effective*

FAS 28 - Murabaha and other deferred payment sales

The objective of this standard is to prescribe the appropriate accounting and reporting principles for recognition, measurement and disclosures to apply in relation to Murabaha and other deferred payment sales transactions for the sellers and buyers for such transactions. This standard supersedes the earlier FAS No. 2 “Murabaha and Murabaha to the Purchase Orderer” and FAS No. 20 “Deferred Payment Sale”. This standard applies to accounting for Murabaha and other deferred payment sales transaction carried out under Shari’ah principles, excluding Tawarruq and commodity murabaha transactions.

This standard shall be effective for the financial periods beginning on or after 1 January 2019. Early adoption of the standard is permitted.

FAS 31 - Investment Agency (Al-Wakala Bi Al-Istithmar)

The objective of this standard is to establish the principles of accounting and financial reporting for the investment agency (Al-Wakala Bi Al-Istithmar) instruments and the related assets and obligations from both the principal (investor) and the agent perspectives. The standard provides a broad classification where at the inception of the transaction, the principal (investor) shall evaluate the nature of investment as either a ‘pass-through investment’ – as a preferred option; or the ‘Wakala venture’ approach.

This standard shall be effective for the financial periods beginning on or after 1 January 2020. Early adoption is permitted. The management is assessing the impact of adoption of FAS 31 on Group’s consolidated financial statements.

FAS 30 - Impairment, credit losses and onerous commitments

AAOIFI has issued FAS 30 Impairment, Credit losses and onerous commitments in 2017, which effective from the financial periods beginning on or after 1 January 2020. As mentioned in Note 3.1, the Group has early adopted FAS 30.

FAS 35 - Risk reserves

The objective of this standard is to establish the principles of accounting and financial reporting for risk reserves established to mitigate various risks faced by stakeholders, mainly the profit and loss taking investors, of Islamic financial institutions (IFIs/ the institutions).

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

The standard defines the accounting principles for risk reserves in line with the best practices of financial reporting and risk management. The standard encourages maintaining adequate risk reserves to safeguarding the interest of profit and loss stakeholders particularly against various risks including credit, market, equity investment risks, as well as, the rate of return risk including displaces commercial risk. This is expected to provide better stability to the Islamic finance industry in line with the best practices. This standard does not mandatorily require maintaining risk reserves, however, it is applicable to any such reserves, by whichever name referred to by the institution, if they meet the definition of any of reserves covered by the standard.

This standard together with FAS 30 "Impairment, Credit Losses and Onerous Commitments" supersede the earlier FAS 11 "Provisions and Reserves" and shall be effective for the financial periods beginning on or after 1 January 2021 with earlier adoption permitted. The management early adopted FAS 35 with no material impact on Group's consolidated financial statements.

4. INVESTMENTS CARRIED AT AMORTISED COST

	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Investments in sukuk	165,620	156,520
Unamortised (discounts) / premiums, net	(914)	(315)
Provision for impairment	(5,856)	-
	<u>158,850</u>	<u>156,205</u>

As at 30 September 2018, QAR 158.9 million investments in sukuk were pledged against certain murabaha financing liabilities (31 December 2017: nil). For details on provision for impairment, refer to Note 3.1.3.

5. FINANCING ASSETS

	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Murabaha financing	1,629,797	1,722,919
Ijarah receivable	19,530	38,857
Others	97,188	194
Total financing assets	<u>1,746,515</u>	<u>1,761,970</u>
Deferred profit	(179,728)	(201,207)
Provision for impairment on financing assets	(144,874)	(70,577)
Net financing assets	<u>1,421,913</u>	<u>1,490,186</u>

For details on provision for impairment, refer to Note 3.1.3.

6. EQUITY INVESTMENTS

	Notes	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Investments at fair value through equity	6.1	31,195	26,288
Investments at fair value through income statement	6.2	386,248	897,166
		<u>417,443</u>	<u>923,454</u>

As at 30 September 2018, equity investments with a carrying amount of QAR 37.5 million were pledged against certain murabaha financing liabilities.

6.1. Investments at fair value through equity

Investments at fair value through equity comprise of only unquoted equity securities of QAR 31.2 million as at 30 September 2018 (31 December 2017: QAR 26.3 million) that are carried at cost less impairment in the absence of reliable measure of fair value.

6.2. Investments at fair value through income statement

Investments at fair value through income statement comprise of equity investments as follows:

Investment type	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Venture capital investments	224,308	734,140
Other investments at fair value through income statement	161,940	163,026
	<u>386,248</u>	<u>897,166</u>

Movements in equity investments are as follows:

	30 September 2018			31 December 2017		
	Invest- ments at fair value through equity (Reviewed)	Invest- ments at fair value through income statement (Reviewed)	Total (Reviewed)	Invest- ments at fair value through equity (Audited)	Invest- ments at fair value through income statement (Audited)	Total (Audited)
At the beginning of period/year	26,288	897,166	923,454	147,580	1,028,580	1,176,160
Additions	4,907	-	4,907	-	5,394	5,394
Disposal	-	(208,572)	(208,572)	(121,292)	(80,642)	(201,934)
Transfer	-	(103,911)	(103,911)	-	86,253	86,253
Fair value adjustments	-	(198,435)	(198,435)	-	(142,419)	(142,419)
At the end of the period/year	<u>31,195</u>	<u>386,248</u>	<u>417,443</u>	<u>26,288</u>	<u>897,166</u>	<u>923,454</u>

Loss on remeasurement of investments at fair value through income statement for the nine-month period ended 30 September 2018 was a loss of QAR 198.4 million (for the nine-month period ended 30 September 2017: a loss of QAR 40.8 million).

7. ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE

7.1. Assets and liabilities of Real Estate Structures

As a part of its business, the Bank from time to time enters into various structures to invest indirectly in real estate properties and aircrafts using special purpose vehicles ("SPV") with an intention to sell substantial part of it to investors. Until the Bank ceases its control over those SPVs, they are consolidated by the Bank as a result of application of the accounting consolidation rules under Financial Accounting Standard 23 whereby an entity needs to consolidate an SPV based on economic substance despite the fact that the SPV is not legally owned by and not legally related to the Bank.

7.1.1. US Real Estate Structures

During 2017 the Bank entered into a structure to invest indirectly to acquire 95% in real estate property in the United States of America (the "Jefferson flats") and during the second quarter of 2018, the Bank entered into another structure to acquire 99.1% stake in real estate (the "Kennedy flats") (together referred as "US Real Estate Structures"). These US real estate properties thereafter are leased under Ijara terms. During the period, the Bank sold a 90% stake out of 95% in the Jefferson flats to its investors. As a result of ceasing its control over Jefferson flats, the Bank de-consolidated Jefferson flats in condensed consolidated interim financial statements

7.1.2. UK Real Estate Structures

During 2017 the Bank entered into a structure to invest indirectly to acquire 100% in real estate property in the United Kingdom (the "UK Real Estate Structure"). The real estate was financed partly by the Bank through a murabaha contract with option to acquire the underlying real estate. During the period, the Bank sold a 50.8% stake out of 100% in the UK Real Estate Structure to its investors.

Real estate properties with a carrying value of QAR 572 million and related financing of QAR 380 million related to Kennedy flats and UK Real Estate Structure have been recorded on the Bank's condensed consolidated statement of financial position. The financings of these SPVs related to the real estate property have no recourse to the Bank.

7.2. Equity investments held-for-sale

7.2.1. Turkish investments

During July 2018, the Bank signed a sale purchase agreement subject to conditions precedent to sell its investments in Turkey for a series of installments. During the third quarter of 2018, the Bank successfully completed of sale of one of Turkish investments. Accordingly, fair value adjustments of QAR 109 million recognized for the six-month period ended 30 June 2018 reclassified to loss on disposal of equity investments. The other Turkish investments is still subject to conditions precedent and accordingly the Bank had classified and presented this investment having fair value of QAR 64.5 million, in assets held-for-sale in the condensed consolidated interim financial statements for the period ended 30 September 2018.

7.2.2. Other investments

The Bank is pursuing sale of another investment having fair value of QAR 38.5 million and therefore has reclassified it to assets-held-for-sale in its condensed consolidated interim financial statements for the period ended 30 September 2018.

As at 30 September 2018, equity investments held-for-sale with a carrying amount of QAR 64.5 million were pledged against certain murabaha financing liabilities.

7 ASSETS AND LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD-FOR-SALE (Continued)

7.3. Assets and liabilities of disposal group classified as held-for-sale

The Bank is currently finalising negotiation of sale of two of its subsidiaries (referred as “Disposal Group”). As a consequence of highly probability of these exits which are expected to take place within next 12 months, the assets of QAR 723 million and liabilities of QAR 582 million related to the Disposal Group have been presented in the condensed consolidated statement of financial position as “held-for-sale” and the loss thereof amounting QAR 34 million has been presented in the condensed consolidated income statement as “discontinued operation” as they represent a separate major line of business. The comparative condensed consolidated income statement is re-presented as if the operation had been discontinued from the start of the comparative period.

8. FINANCING LIABILITIES

	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Accepted wakala deposits	90,025	305,393
Murabaha finance	239,851	487,351
Ijara financing	-	20,231
	<u>329,876</u>	<u>812,975</u>

The Group has breached certain debt covenants stipulated in their financing liabilities contracts, whose carrying amount was QAR 138 million and QAR 386 million as at 30 September 2018, presented within financing liabilities and liabilities of disposal group classified held-for-sale, respectively. The Group management is currently discussing with the related banks to renegotiate terms.

9. EQUITY OF UNRESTRICTED INVESTMENT ACCOUNT HOLDERS

	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Term accounts	1,413,755	1,702,980
Profit payable to unrestricted equity of investment account holders	11,649	10,813
	<u>1,425,404</u>	<u>1,713,793</u>

10. SHARE CAPITAL

	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Authorized		
250,000,000 ordinary shares (2017: 250,000,000 ordinary shares) of QAR 10 each	<u>2,500,000</u>	<u>2,500,000</u>
Issued and paid		
200,000,000 ordinary shares (2017: 200,000,000 ordinary shares) of QAR 10 each	<u>2,000,000</u>	<u>2,000,000</u>

11. REVENUE AND EXPENSES FROM NON-BANKING ACTIVITIES

	30 September 2018 (Reviewed)	30 September 2017 (Restated)
Sales	80,978	71,219
Other income	(424)	247
Revenue from non-banking activities	80,554	71,466
Cost of sales	(64,948)	(60,002)
Other expenses	(13,738)	(12,312)
Expenses from non-banking activities	(78,686)	(72,314)
Net gain / (loss) from non-banking activities	1,868	(848)

12. BASIC / DILUTED LOSS PER SHARE

The calculation of basic loss per share is based on the net loss attributable to the Bank's shareholders and the weighted average number of shares outstanding during the period.

	30 September 2018 (Reviewed)	30 September 2017 (Restated)
<i>Basic loss per share</i>		
Net loss attributable to the equity holders of the Bank	(425,541)	(139,600)
Total weighted average number of shares	200,000	200,000
Basic loss per share (QAR)	(2.13)	(0.70)

Since there is no significant dilutive impact, basic loss per share equal the dilutive loss per share.

13. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the period / year end:

	30 September 2018 (Reviewed)	31 December 2017 (Audited)
Letters of guarantee	39,190	202,601
Unutilised credit facilities	2,236	40,589
	41,426	243,190

For details on provision for impairment refer to Note 3.1.3. Contingent liabilities related to Sharia-compliant-risk-management instruments, representing notional amounts, amounted to QAR 776 million (31 December 2017: QAR 1,061 million).

14. COMMITMENTS

	30 September 2018	31 December 2017
	(Reviewed)	(Audited)
Commitment for operating lease		
Later than one year	23,828	50,335
No later than one year	23,625	26,547
	<u>47,453</u>	<u>76,882</u>
Investment related commitment	-	48,206
Commitment for operating and capital expenditure	480	2,851
	<u>47,933</u>	<u>127,939</u>

15. RELATED PARTIES TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the significant owners and entities over which the Group and the owners exercise significant influence, directors and senior management personnel of the Group, close family members, entities owned or controlled by them, associates and affiliated companies. Balances and transactions in respect of related parties included in the financial statements are as follows:

	30 September 2018 (Reviewed)		
	Affiliated entities/ directors	Associates	Total
<i>a) Condensed consolidated statement of financial position</i>			
Financing assets	7,507	82,872	90,379
Other assets	254	-	254
<i>b) Condensed consolidated income statement</i>			
Income from financing assets	439	5,188	5,627

The balances of related parties as at 31 December 2017 are as follows:

	31 December 2017 (Audited)		
	Affiliated entities/ directors	Associates	Total
<i>a) Condensed consolidated statement of financial position</i>			
Financing assets	7,021	121,728	128,749
Other assets	12,424	-	12,424
Other liabilities	13,723	-	13,723

15. RELATED PARTIES TRANSACTIONS AND BALANCES (Continued)

Transactions with related parties for the corresponding period of nine-month period ended 30 September 2017 are as follows:

	30 September 2017 (Reviewed)		
	Affiliated entities/ directors	Associates	Total
<i>b) Condensed consolidated income statement</i>			
Income from financing assets	175	5,350	5,525
Dividend income	-	14,871	14,871

Key management compensation is presented below:

	30 September 2018	30 September 2017
<i>c) Compensation of key management personnel</i>	(Reviewed)	(Reviewed)
Senior management personnel	18,056	24,863
Directors' remuneration	-	-
Shari'a Supervisory Board remuneration	388	388
	<u>18,444</u>	<u>25,251</u>

16. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value profit rate risk, cash flow profit rate risk and price risk), credit risk and liquidity risk. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2017. There have been no significant changes, except for below:

16.1. Changes to Groups financial risk management objectives and policies**Credit Risk Measurement**

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Group measures credit risk using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD). This is similar to the approach used for the purposes of measuring Expected Credit Loss (ECL) under the FAS 30 as detailed in note 3.1.2.

Credit risk grading

The Group uses internal credit risk grading that reflect its assessment of the probability of default of individual counterparties. The Group uses internal rating models tailored to the various categories of counterparty. The credit grades are calibrated such that the risk of default increases exponentially at each higher risk grade.

16. FINANCIAL RISK MANAGEMENT (Continued)**Credit quality assessments**

Pursuant to the adoption of the FAS 30, the Group has mapped its internal credit rating scale to Standard and Poor's rating scale, the table below provides an analysis of counterparties by rating grades and credit quality of the Group's credit risk, based on Standard and Poor's ratings (or their equivalent) as at 30 September 2018:

Rating grade	Cash and cash equivalents	Investments carried at amortised cost	Financing assets	Accounts receivable	Other financial assets	Total
AAA to A-	357,564	30,756	-	-	-	388,320
BBB to B+	424	128,094	685,638	-	13,190	827,346
CCC+ to CCC-	-	-	714,011	-	28,236	742,247
D	-	-	22,264	-	-	22,264
Unrated	-	-	-	24,245	-	24,245
Total	<u>357,988</u>	<u>158,850</u>	<u>1,421,913</u>	<u>24,245</u>	<u>41,426</u>	<u>2,004,422</u>

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group's financial instruments are accounted for under the historical cost method with the exception of equity investments. By contrast, the fair value represents the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. Differences therefore can arise between book values under the historical cost method and fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms. Generally accepted methods of determining fair value include reference to quoted prices and the use of valuation techniques such as discounted cash flow analysis. Set out below is a comparison of the carrying amounts and fair values of financial instruments:

		30 September 2018	
	Notes	Carrying Amount	Fair Value
Financial Assets:			
Cash and cash equivalents		357,940	357,940
Investments carried at amortised cost	4	158,850	145,883
Financing assets	5	1,421,913	1,421,913
Accounts receivable		24,245	24,245
Equity investments	6	417,443	417,443
Other assets		33,182	33,182
		<u>2,413,573</u>	<u>2,400,606</u>
Financial Liabilities:			
Financing liabilities	8	329,876	329,876
Customers' balances		46,128	46,128
Other liabilities		74,702	74,702
Equity of unrestricted investment account holders	9	1,425,404	1,425,404
		<u>1,876,110</u>	<u>1,876,110</u>

17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	<i>Notes</i>	31 December 2017	
		Carrying Amount	Fair Value
Financial Assets:			
Cash and cash equivalents		372,029	372,029
Due from banks		477,218	477,218
Investments carried at amortised cost	4	156,205	146,224
Financing assets	5	1,490,186	1,490,186
Accounts receivable		315,272	315,272
Equity investments	6	923,454	923,454
Other financial assets		58,401	58,401
		<u>3,792,765</u>	<u>3,782,784</u>
Financial Liabilities:			
Financing liabilities	8	812,975	812,975
Customers' balances		99,976	99,976
Other liabilities		241,438	241,438
Equity of unrestricted investment account holders	9	1,713,793	1,713,793
		<u>2,868,182</u>	<u>2,868,182</u>

17.1. Fair value hierarchy

Fair value measurements are analysed by level in the fair value hierarchy as follows:

- (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities,
- (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and
- (iii) level three measurements are valuations not based on observable market data (that is, unobservable inputs). Management applies judgment in categorising financial instruments using the fair value hierarchy. If a fair value measurement uses observable inputs that require significant adjustment, that measurement is a Level 3 measurement.

	<i>Note</i>	Level 1	Level 2	Level 3	Total
<i>30 September 2018 (Reviewed)</i>					
Equity investments					
- at fair value through equity	6.1	-	-	31,195	31,195
- at fair value through income statement	6.2	-	-	386,248	386,248
Net gains and losses, recognized through condensed consolidated income statement		-	-	(198,435)	(198,435)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

	<i>Note</i>	Level 1	Level 2	Level 3	Total
<i>31 December 2017 (Audited)</i>					
Equity investments					
- at fair value through equity	6.1	-	-	26,288	26,288
- at fair value through income statement	6.2	3,038	-	894,128	897,166
<i>30 September 2017 (Reviewed)</i>					
Net gains and losses included in the condensed consolidated statement of changes in equity		18,708	-	-	18,708
Net gains and losses, recognized through condensed consolidated income statement		(847)	-	(39,947)	(40,794)

Sharia-compliant-risk management instruments for which fair value amounts to QAR 15.7 million (31 December 2017: negative QAR 2.9 million) is derived using Level 2 fair value hierarchy. The valuation techniques and key assumptions have remained consistent with those disclosed in the annual consolidated financial statements as at and for the year ended 31 December 2017.

The fair values of financial assets and financial liabilities carried at amortized cost are equal to the carrying value, hence, not included in the fair value hierarchy table. However, investments carried at amortised cost for which the fair value amounts to QAR 146 million (31 December 2017: QAR 146 million) is derived using Level 1 fair value hierarchy.

18. SEGMENT INFORMATION

For management purposes, the Group has three reportable segments, as described below:

Alternative Investments

The Group's alternative investments business segment includes direct investment in the venture capital business and real estate asset classes. Alternative investments business is primarily responsible to acquire large or significant stakes, with board representation, in well managed companies and assets that have strong, established market positions and the potential to develop and expand. The team works as partners with the management of investee companies to unlock value through enhancing operational and financial performance in order to maximize returns. This segment seeks investments opportunities in growth sectors within the GCC and MENA region, as well as Turkey and United Kingdom, but remains opportunistic to attractive investment propositions outside of the geographies identified.

18. SEGMENT INFORMATION (Continued)**Private Bank**

The Group's private bank business segment includes private banking, corporate & institutional banking and treasury & investment management services. The Private banking department targets qualified High Net Worth clients with Sharia compliant up-market products and services that address personal, business and wealth requirements. The services offered under the private banking department includes advisory, deposit accounts, brokerage, funds and investments, treasury Forex products, plain vanilla and specialized financing. The corporate & institutional banking department offers deposits accounts and plain vanilla & specialized financing solutions for corporates in Qatar, the GCC and the broader region for sectors and applications currently underserved by regional banks. The treasury department is offering short term liquid investments and FX products to banking clients, deploying the bank's liquidity as well as leading the product development and idea conceptualization function.

Other

Unallocated assets, liabilities and revenues are related to some central management and support functions of the Group.

Information regarding the results, assets and liabilities of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the management.

Segment assets and liabilities

The Group does not monitor segments on the basis of segment assets and liabilities and do not possess detailed information thereof. Consequently, disclosure of segment assets and liabilities are not presented in these condensed consolidated interim financial statements.

18. SEGMENT INFORMATION (Continued)

Below is the information about operating segments:

<i>For the period ended 30 September 2018 (Reviewed)</i>	Alternative Invest- ments	Private Bank	Other	Total
INCOME				
Revenue from non-banking activities	80,554	-	-	80,554
Loss on re-measurement of investments at fair value through income statement	(198,435)	-	-	(198,435)
Dividend income	448	-	-	448
Profit on investments carried at amortised cost	-	6,204	-	6,204
Gain on disposal of investments carried at amortised cost	-	362	-	362
Loss on disposal of equity investments	(111,384)	-	-	(111,384)
Income from financing assets	5,188	48,691	-	53,879
Income from placements with financial institutions	-	12,907	-	12,907
Other income	7,969	24,232	6,926	39,127
Total Income Before Return To Unrestricted Investment Account Holders	(215,660)	92,396	6,926	(116,338)
Return to unrestricted investment account holders	-	(46,079)	-	(46,079)
TOTAL INCOME	(215,660)	46,317	6,926	(162,417)
EXPENSES				
Expenses from non-banking activities	(78,686)	-	-	(78,686)
Staff costs	(3,918)	(10,997)	(22,577)	(37,492)
Other operating expenses	(1,926)	(6,429)	(22,553)	(30,908)
Financing costs	(7,889)	(6,431)	-	(14,320)
Depreciation and amortization	(237)	(4,786)	(2,244)	(7,267)
TOTAL EXPENSES	(92,656)	(28,643)	(47,374)	(168,673)
Recovery / (Provision) for impairment on financing assets, net of recoveries	982	(44,954)	-	(43,972)
Provision for impairment on other financial assets	-	(3,062)	-	(3,062)
NET LOSS BEFORE INCOME TAX	(307,334)	(30,342)	(40,448)	(378,124)
Income tax expense	-	-	-	-
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(307,334)	(30,342)	(40,448)	(378,124)
DISCONTINUED OPERATIONS				
(Loss) / profit from discontinued operations, net of tax	(71,161)	4,794	-	(66,367)
NET LOSS FOR THE PERIOD	(378,495)	(25,548)	(40,448)	(444,491)

18. SEGMENT INFORMATION (Continued)

<i>For the period ended 30 September 2017 (Reviewed)</i>	Alternative Investments	Private Bank	Other	Total
INCOME				
Revenue from non-banking activities	71,466	-	-	71,466
Loss on re-measurement of investments at fair value through income statement	(40,794)	-	-	(40,794)
Dividend income	17,487	149	-	17,636
Profit on investments carried at amortised cost	-	17,915	-	17,915
Gain on disposal of investments carried at amortised cost	-	1,371	-	1,371
Gain on disposal of equity investments	1,892	-	-	1,892
Income from financing assets	5,350	55,956	-	61,306
Income from placements with financial institutions	-	20,422	-	20,422
Other (loss) / income	(35,139)	10,365	7,990	(16,784)
Total Income Before Return To Unrestricted Investment Account Holders	20,262	106,178	7,990	134,430
Return to unrestricted investment account holders	-	(63,312)	-	(63,312)
TOTAL INCOME	20,262	42,866	7,990	71,118
EXPENSES				
Expenses from non-banking activities	(72,314)	-	-	(72,314)
Staff costs	(10,299)	(13,161)	(29,938)	(53,398)
Other operating expenses	(4,792)	(9,129)	(21,402)	(35,323)
Financing costs	(6,802)	(9,035)	-	(15,837)
Depreciation and amortization	(256)	(4,957)	(2,713)	(7,926)
TOTAL EXPENSES	(94,463)	(36,282)	(54,053)	(184,798)
Provision for impairment on financing assets	(966)	(15,958)	-	(16,924)
NET LOSS BEFORE INCOME TAX	(75,167)	(9,374)	(46,063)	(130,604)
Income tax expense	-	-	-	-
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	(75,167)	(9,374)	(46,063)	(130,604)
DISCONTINUED OPERATIONS				
(Loss) / profit from discontinued operations, net of tax	(14,219)	2,750	-	(11,469)
NET LOSS FOR THE PERIOD	(89,386)	(6,624)	(46,063)	(142,073)

19. COMPARATIVE FIGURES

The comparative figures presented have been reclassified where necessary to preserve consistency with the current period figures. However, such reclassifications did not have any effect on the consolidated net loss or the total consolidated equity for the comparative period.